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July 27, 2005

Robert P. Butts, Jr.  
The Union Light, Heat and Power Company  
139 East Fourth Street  
Cincinnati, OH 45202

CERTIFICATE OF SERVICE

RE: Case No. 2005-00294  
The Union Light, Heat and Power Company

I, Beth O'Donnell, Executive Director of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the addressee by U.S. Mail on July 27, 2005.

A handwritten signature in black ink, appearing to read "Beth O'Donnell", written over a horizontal line.

Executive Director

BOD/jc  
Enclosure

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF PURCHASED GAS	)	
ADJUSTMENT FILING OF THE	)	CASE NO. 2005-00294
UNION LIGHT, HEAT AND POWER	)	
COMPANY	)	

ORDER

On January 31, 2002, in Case No. 2001-00092, the Commission approved rates for The Union Light, Heat and Power Company ("ULH&P") and provided for their further adjustment in accordance with ULH&P's gas cost adjustment ("GCA") clause.<sup>1</sup>

On July 12, 2005, ULH&P filed its GCA to be effective August 1, 2005. ULH&P previously obtained Commission approval to file its GCA within 20 days of the proposed effective date.<sup>2</sup>

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. ULH&P's notice includes rates designed to pass on to its customers its expected change in wholesale gas costs.
2. ULH&P's Expected Gas Cost ("EGC") is \$8.389 per Mcf, which is an increase of 37.4 cents per Mcf from the previous EGC of \$8.015.
3. ULH&P's notice sets out no current refund adjustment ("RA"). The total RA of (.3) cent per Mcf represents no change from the previous total RA.

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<sup>1</sup> Case No. 2001-00092, Adjustment of Gas Rates of The Union Light, Heat and Power Company, Order dated January 31, 2002.

<sup>2</sup> Case No. 2003-00386, The Application of The Union Light, Heat and Power Company for Authority to Make Monthly Adjustments to the Expected Gas Cost Component of Its Gas Cost Adjustment Rate, Order dated November 6, 2003.

4. ULH&P's notice sets out no current quarter actual adjustment ("AA"). The total AA of 6.7 cents per Mcf represents no change from the previous total AA.

5. ULH&P's notice sets out no current quarter balancing adjustment ("BA"). The total BA of 5.8 cents per Mcf represents no change from the previous total BA.

6. ULH&P's gas cost recovery rate ("GCR") is \$8.511 per Mcf, which is 37.4 cents per Mcf more than its previous GCR of \$8.137.

7. The rates in the Appendix to this Order are fair, just, and reasonable, and should be approved for final meter readings by ULH&P on and after August 1, 2005.

IT IS THEREFORE ORDERED that:

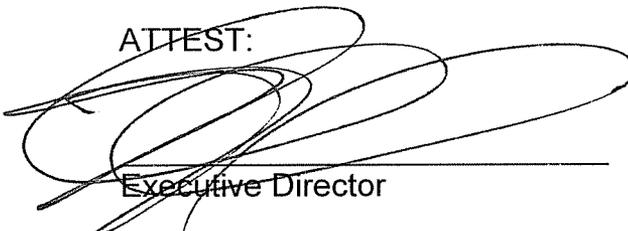
1. The rates in the Appendix to this Order are approved for final meter readings on and after August 1, 2005.

2. Within 20 days from the date of this Order, ULH&P shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 27<sup>th</sup> day of July, 2005.

By the Commission

ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2005-00294 DATED July 27, 2005.

The following rates and charges are prescribed for the customers served by The Union Light, Heat and Power Company. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

GAS SERVICE RATES

RATE RS  
RESIDENTIAL SERVICE

	<u>Base Rate</u>		<u>Gas Cost Adjustment</u>	<u>Total Rate</u>
Commodity Charge for All Ccf Consumed	\$.2334	plus	\$.8511	\$1.0845

RATE GS  
GENERAL SERVICE

	<u>Base Rate</u>		<u>Gas Cost Adjustment</u>	<u>Total Rate</u>
Commodity Charge for All Ccf Consumed	\$.2049		\$.8511	\$1.0560